

STAFFORD COUNTY SCHOOL BOARD
Agenda Consideration

TOPIC: Proposed Amendment to Policy 4-33

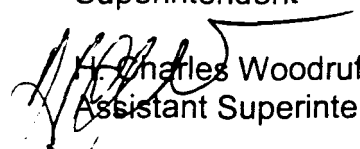
ITEM NO: 9A


PREPARED BY: Jean S. Murray
Superintendent

MEETING: January 13, 2004

ACTION DATE: January 13, 2004

INFORMATION: December 9, 2003


H. Charles Woodruff, II
Assistant Superintendent for Financial Services


Jill Hubbard
Director of Finance and Accounting

Daryl A. Nelson 
Executive Director of Administrative and Legal Services

ACTION REQUESTED BY THE SUPERINTENDENT: That the School Board approve the attached amendments to Policy 4-33, Receipt and Payment: Goods and Services.

KEY POINTS:

Section 22.1-122 of the Code of Virginia provides the following two options with respect to approval and payment of claims against the School Board:

"A. Except as provided in §22.1-122.1, a school board shall examine all claims against it and, when approved, shall order or authorize the payment thereof...

B. A school board may, in its discretion by resolution, appoint an agent, and a deputy agent to act for the agent in his absence or inability to perform this duty, to examine and approve such claims and, when approved by him or his deputy, to order or authorize the payment thereof...."

The recommended amendment to Policy 4-33, Receipt and Payment: Goods and Services, essentially puts the policy in line with current procedure. This amendment removes the requirement to include "Payment of Bills" on the Consent Agenda. Although "Payment of Bills" is routinely listed on the Consent Agenda, the School Board never sees the bills because a previous amendment to the policy provided for delegation of the responsibility to examine and approve claims against the School Board to the Director of Finance and Accounting and, in her absence, to the Supervisor of Accounting.

The last proposed change to this policy is designed to ensure compliance with state code requirements for creating and maintaining records of School Board claims approvals and payment authorizations. Currently, the claims payment memorandum (a one page document stating the fund source, the amount to be paid, and the payment date) must accompany all requests for disbursement that are submitted to the Treasurer. Signatures of two of the following three persons are required on the memorandum before a request can be processed: the Superintendent, the Assistant Superintendent for Financial Services and the Director of Finance and Accounting. Record keeping requirements will be met and paper work kept to a minimum by using this one document as evidence of both claims approval and payment authorization. The records will be kept on file at the Alvin York Bandy Administrative Complex in the Department of Financial Services.

SCHOOL BOARD GOAL 4: Address the impact of continuing population growth by developing plans to address expanding staff, facilities, transportation, attendance zones, and instruction. Measurable Objective 8 – Annually, central office staff will review and evaluate department programs and operations to promote continued systemic improvement of the school division as well as to identify economies of scale.

FUNDING SOURCE: N/A

AUTHORIZATION REFERENCE: Bylaw 1-32, Policy Adoption, Amendment and Suspension

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Receipt and Payment: Goods and ServicesA. Receiving Goods

All goods received must be accepted by a school division employee having the authority and possessing sufficient knowledge and ability to make a determination as to the condition of the goods to be received before signing and dating a receiving document to officially acknowledge receipt.

B. Paying for Goods and Services

No payment for goods or services shall be made without an itemized invoice showing the name of the vendor to whom payment is due, and a dated receiving document (paper or electronic), or invoice stamp bearing the signature of a school employee authorized to accept goods or services; furthermore, an approved purchase order number must be printed (or handwritten) somewhere on the face of the invoice unless the purchase was made by credit card.

The ~~superintendent~~ director of accounting shall establish procedures for accounting, purchasing and warrant writing so that each transaction is reviewed for accuracy and completeness by several employees during the normal course of accounts payable processing.

The time frame for the prompt payment of invoices shall be consistent with those requirements set forth in the Code of Virginia.

C. Review ~~by~~ and Approval by Agent or Deputy Agent of the School Board

B. The director of accounting, acting as agent of the school board or the assistant director ~~supervisor~~ of accounting, acting as deputy agent of the board in the absence of the director of accounting, shall examine and approve all claims against the school board financial obligations of the board. Once approved, payment shall be authorized by the signatures of two of the following three persons: the superintendent, the assistant superintendent for finance, and the director of accounting, (or the assistant director of accounting in the absence of the director of accounting ~~or~~ in a memorandum addressed to the Treasurer of the County of Stafford stating the total amount of claims to be paid by fund and the date on which the checks will be issued. This memorandum shall serve as an

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Receipt and Payment: Goods and Services

acknowledgment of the approval of claims as well as the authorization of payment. In accordance with the Code of Virginia, § 22.1-122, copies of the claims approval/payment authorization memoranda shall be kept on file at the Alvin York Bandy Building in the Department of Financial Services.
~~"Payment of Bills" shall be included on the consent agenda of school board meetings on the day immediately preceding the disbursement date. School board members shall be given copies of disbursement registers for each fund to review before board meetings. The total amount of claims approved, by fund, shall be recorded in the minutes of the board meeting. During those periods when no board meetings are held, a record of approval and order of authorization shall be recorded in the minutes of the next school board meeting.~~

Legal Reference: Through June 30, 2003

Code of Va., §2.2-4352. Prompt payment of bills by localities.-- "Every agency of local government that acquires goods or services, or conducts any other type of contractual business with a nongovernmental, privately owned enterprise, shall promptly pay for the completed delivered goods or services by the required payment date. The required payment date shall be either: (i) the date on which payment is due under the terms of the contract for the provision of such goods or services; or (ii) if a date is not established by contract, not more than forty-five days after the goods or services are received or not more than forty-five days after the invoice is rendered, whichever is later.

Separate payment dates may be specified for contracts under which goods or services are provided in a series of partial executions or deliveries to the extent that the contract provides for separate payment for partial execution or delivery.

Within twenty days after the receipt of the invoice or goods or services, the agency shall notify the supplier of any defect or impropriety that would prevent payment by the payment date.

Unless otherwise provided under the terms of the contract for the provision of goods or services, every agency that fails to pay by the payment date shall pay any

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Receipt and Payment: Goods and Services

finance charges assessed by the supplier that shall not exceed one percent per month.

The provisions of this section shall not apply to the late payment provisions in any public utility tariffs or public utility negotiated contracts." (2001)

Code of Va., §22.1-122. Approval and payment of claims; warrants; prohibited acts. -

A. Except as provided in §22.1-122.1, a school board shall examine all claims against it and, when approved, shall order or authorize the payment thereof. A record of such approval and order or authorization shall be made in the minutes of the school board. Payment of each claim shall be ordered or authorized by a warrant drawn on the treasurer or other officer charged by law with the responsibility for the receipt, custody and disbursement of the funds of the school board. The warrant shall be signed by the chairman or vice-chairman of the school board, countersigned by the clerk or deputy clerk thereof, made payable to the person or persons, firm or corporation entitled to receive such payment and recorded in the form and manner prescribed by the Board of Education. There shall be stated on the face of the warrant the purpose or service for which such payment is drawn and the date of the order entered or authority granted by the school board.

B. A school board may, in its discretion by resolution, appoint an agent, and a deputy agent to act for the agent in his absence or inability to perform this duty, to examine and approve such claims and, when approved by him or his deputy, to order or authorize the payment thereof. A record of such approval and order or authorization shall be made and kept with the records of the school board. Payment of each such claim so examined and approved by such agent or his deputy shall be ordered or authorized by a warrant drawn on the treasurer or other officer charged by law with the responsibility for the receipt, custody, and disbursement of the funds made available to the school board. The warrant shall be signed by such agent or his deputy and countersigned by the clerk or deputy clerk of the school board, payable to the person or persons, firm or corporation entitled to receive such payments; provided, however, that when the agent appointed by the school board is the division superintendent and the division superintendent and clerk is

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Receipt and Payment: Goods and Services

one and the same person, all such warrants shall be countersigned by the chairman or vice-chairman of the school board and when the deputy agent and deputy clerk is one and the same person, the warrant shall be countersigned by either the clerk or the agent of the school board. There shall be stated on the face of the warrant the purpose or service for which such payment is made and also that such warrant is drawn pursuant to authority delegated to such agent or his deputy by the school board on the.... day of ... The school board shall require such agent and his deputy to furnish a corporate surety bond conditioned upon the faithful performance and discharge of the duties herein assigned to each such official. The school board shall fix the amount of such bond or bonds and the premium therefore shall be paid out of the funds made available to the school board.

C. The school board of any school division composed of a county may provide, by resolution, for the drawing of special warrants in payment of compensation, when such compensation has been earned and is due, for (i) all employees and school bus operators under written contract, (ii) upon receipt of certified time sheets or other evidence of service performed, the payment of all other employees whose rates of pay have been established by the school board or its properly delegated agent, and (iii) for payment on contracts for school construction projects according to the terms of such contracts. All such special warrants so authorized shall be signed by the clerk or deputy clerk of the school board and countersigned by the division superintendent or the chairman or vice-chairman of the school board. When the division superintendent and clerk is one and the same person, such special warrants shall be countersigned by such chairman or vice-chairman. Such payrolls and contracts so paid shall be reviewed and approved by the school board at its next regular meeting.

D. Any warrant provided for in this section may be converted into a negotiable check when the name of the bank upon which the funds stated in the warrant are drawn or by which the check is to be paid is designated upon its face and is signed by the treasurer or other officer charged by law with the responsibility for the receipt, custody and disbursement of the funds of the school board.

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Receipt and Payment: Goods and Services

E. The acts prohibited by §15.1-549 with respect to the ordering of the issuance of warrants by a board of supervisors and the signing and countersigning of such warrants by the clerk, deputy clerk, chairman, and vice-chairman of such board shall apply to the ordering of the issuance of warrants by a school board and to the signing and countersigning thereof by the chairman, vice-chairman, clerk, deputy clerk, agent and deputy agent of the school board. Any clerk, deputy clerk, agent, deputy agent or member of any school board who violates any provision of this section shall be guilty of both a Class 3 misdemeanor and malfeasance in office (1989)

Code of Va., '22.1-122.1. Accounts to purchase certain materials and supplies.-- "A school board, by resolution and subject to the approval of the governing body, may establish accounts in each of its departments and schools committed solely for the purchase of instructional materials and office supplies. The school board may authorize the transfer of a percentage of the funds budgeted for a school, not to exceed thirty-five percent of the allocation, into such account.

Such account shall be managed by the principal of the school or head of the division department who shall file a monthly accounting of the funds with the division superintendent. No additional funds shall be transferred into any such account unless the monthly accounting has been filed. The funds in the account may be disbursed for payment of obligations by issuing a negotiable check signed by the principal or head of the division department, and a second person to be designated by the school board. At the close of the fiscal year, all funds remaining in the accounts shall be returned to the school board simultaneously with a full accounting of the disbursements. All such accounts shall be subject to the requirements of 15.2-2511 and relevant provisions of the Virginia Public Procurement Act (2.2-4300 et seq.). (1999

Adopted by School Board: March 24, 1987
 Amended by School Board: September 24, 1996
 Amended by School Board: May 27, 2003
 Amended by School Board: